

**SEALED****UNITED STATES DISTRICT COURT**

for the

Western District of Virginia

United States of America )

v. )

Tyrone Young )

Case No. )

4:18mj-70 )

CLERK'S OFFICE U.S. DIST. COURT  
AT ROANOKE, VA  
FILED

JUN 06 2018

JULIA C. DUDLEY, CLERK  
BY: A. Beeson  
DEPUTY CLERK\_\_\_\_\_  
Defendant(s)**CRIMINAL COMPLAINT**

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of January 2010 to August 2016 in the county of Danville in the  
Western District of Virginia, the defendant(s) violated:*Code Section**Offense Description*

Title 20 USC 1097

Federal Student Aid Fraud

Title 18 USC 1028A(a)(1)

Aggravated Identity Theft

This criminal complaint is based on these facts:

See attached affidavit.

☒ Continued on the attached sheet.Melissa J. McAlister

Complainant's signature

Melissa J McAlister, U.S. Postal Inspector

Printed name and title

Sworn to before me and signed in my presence.

Date:

June 6, 2018

City and state:

Roanoke, VARobert S. Ballou

Judge's signature

Robert S. Ballou, U.S.M.J.

Printed name and title

IN THE UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF VIRGINIA

UNITED STATES OF AMERICA

v.

TYRONE YOUNG

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CRIMINAL NO:

4:18m570

AFFIDAVIT IN SUPPORT OF COMPLAINT AND ARREST WARRANT

I, Melissa J. McAlister, Postal Inspector, U. S. Postal Inspection Service, being duly sworn, depose, and state the following:

1. I am a United States Postal Inspector employed with the United States Postal Inspection Service since July 2014. My responsibilities include the investigation of crimes involving the United States Postal Service and crimes furthered through the use of the United States Mail. This includes, but is not limited to, the investigation of the theft of U.S. mail, fraudulent use of such stolen mail matter, purchase of postal money orders with fraudulent debit/credit card numbers, use of the United States Mail to commit fraud and other criminal offenses, and investigations involving identity theft.

2. This affidavit is made in support of an arrest warrant and criminal complaint charging TYRONE YOUNG ("YOUNG") with Aggravated Identity Theft, in violation of Title 18, United States Code, Section 1028A(a)(1) and Obtaining or Attempting to Obtain Federal Student Aid funds by Fraud, in violation of Title 20, United States Code, Section 1097.

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3. The information contained in this affidavit is based on the information I have gained from my investigation, my personal observations, my training and experience, and information relayed to me by other law enforcement officers and witnesses. The facts contained in this affidavit are not all of the facts known to me, but only those facts sufficient to show probable cause.

#### PERSONS

TYRONE YOUNG

#### INTRODUCTION

4. Tyrone Young (YOUNG), a resident of Danville, VA, was identified by confidential source (S1), as conspiring with others to enroll individuals in various institutions of higher learning in order to obtain federal student aid by fraud. Specifically, S1 wrote three initial letters to Danville Police Department Detective K. Hendrix detailing the conspiracy. In her letters, S1 provided the names of individuals whose identifying information had been used to obtain fraudulent university enrollments and federal student aid funds, as well as the names of the online universities in which they had been enrolled.

5. Eight affected universities have been identified as victims to date: Strayer University (Strayer), Capella University (Capella), Post University (Post), University of Phoenix (UOP), Devry University (Devry), Kaplan University (Kaplan), Liberty University (Liberty), and Argosy University (Argosy). Each of these universities has been approved by the USDOE to participate in federal financial aid programs

and to disburse federal financial aid to students pursuant to subchapter IV of Title 20 of the United States Code. Student aid funds distributed pursuant to subchapter IV include federally sponsored grants and loans such as Pell Grants and subsidized and unsubsidized Stafford loans of the type YOUNG has obtained through his fraudulent scheme, as described below ("federal student aid").

6. S1 claimed YOUNG worked by some arrangement to split the fraudulent student aid funds with his victims, and that none of his victims actually attended courses in which they were enrolled. Assisted indirectly by Co-conspirator #1, YOUNG focused initially on his family members and friends, using their identifiers to obtain student aid funds through fraudulent enrollments. YOUNG also focused his attention on residents of Section 8 housing developments in the Danville area, soliciting personal identifiers from his victims by posing as an educational representative who could help them obtain "free" government funding for education. To date, investigation has revealed that YOUNG used, or caused to be used, the personal identifiers of at least sixty (60) individuals fraudulently to obtain \$1,163,416 in federal student aid.

#### STATEMENT OF PROBABLE CAUSE

7. In May 2016, following receipt of the letters from S1 to the Danville Police Department, agents with Virginia State Police and Department of Education Office of Inspector General (OIG) contacted your affiant regarding an investigation into YOUNG's alleged student loan fraud scheme. Your affiant obtained copies at that time of the

letters S1 had sent to Detective Hendrix regarding the details of YOUNG's alleged student loan fraud scheme, described in the Introduction, above. The letters named numerous persons involved in the scheme, in addition to YOUNG. The letters also listed several education institutions allegedly targeted by YOUNG and his associated for financial aid fraud.

8. As a result of the preliminary investigation, your affiant was able to determine that approximately 60 individuals, or "straw students," many of whom are related to YOUNG or affiliated with one another, were enrolled in online courses at one or more of eight institutions of higher learning, including but not limited to the University of Phoenix, Strayer University, Devry University and Post University. Enrollment periods for straw students stretched over a six-year period, from on or about January 1, 2010 through on or about August 2016.

9. Special Agent A. Macdonald with the Department of Education-OIG verified the fraudulent enrollment of straw students by obtaining, in the regular course of investigation and directly through the USDOE and affected institutions, copies of all enrollment applications, student transcripts, FAFSAs, and financial aid disbursement records pertaining to each fraudulent student account. From this information, a number of patterns emerged. First, it was clear from the enrollment information that eighteen of the straw students were from the South Boston/Danville area and living in the same apartment complex. SA MacDonald also verified that all applications and forms for these

individuals had been completed and submitted electronically, including their Federal Applications for Federal Student Aid (FAFSA), their FAFSA PIN applications, and admissions and financial aid applications submitted on behalf of each student. Your affiant further observed from the collected data that a majority of enrolled straw students shared, withdrew from and failed many of the same courses, or were dropped from such courses for non-attendance. In one instance, 16 students shared enrollment in the same two courses at the same university over successive terms. Portions of their application essays, which had been submitted electronically, were also identical in certain respects, suggesting that the same essay had been used repeatedly for more than one student.

10. Based in part on this information, your affiant interviewed and obtained additional information from S1, one of the straw students. S1 alleged from personal observation and experience that S1 had been present when YOUNG was enrolling straw students in school by wire transmission over the internet. S1 stated that YOUNG obtained identifying information from each straw student which included the student's name, date of birth and social security number, and then used this information to complete a FAFSA in each person's name by wire transmission over the internet, thus starting the process of obtaining fraudulent federal student aid. YOUNG then used his victims' information to complete online enrollment applications at various institutions of higher learning such as Post University, Strayer University, Devry University, and the University of Phoenix. To

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facilitate correspondence between himself, the USDOE and each college, YOUNG created and submitted a false email address for each straw student.

11. Review of relevant DOE and related records confirms that YOUNG enrolled or caused to be enrolled a total of eight individuals at Strayer University. Many of them were enrolled in the same courses, and many of them show either failing grades or withdrawals from these courses. A total of \$80,814.35 in federal financial aid was awarded to those eight individuals.

12. A total of seven individuals were enrolled at Capella University. Many of them show either failing grades or withdrawals from courses. A total of \$83,249 in federal financial aid was awarded to those seven individuals.

13. A total of fifty-five individuals were enrolled at Post University. Many of them were enrolled in the same courses, and many of them show either failing grades or withdrawals from courses. A total of \$804,700 in federal financial aid was awarded to those individuals.

14. A total of twelve individuals were enrolled at University of Phoenix. Many of them were enrolled in the same courses, and some of them show either failing grades or withdrawals from courses. A total of \$73,778 in federal financial aid was awarded to those individuals.

15. A total of eight individuals were enrolled at Devry University. Many of them were enrolled in the same courses, and many of them show

either failing grades or withdrawals from courses. A total of \$102,141 in federal financial aid was awarded to those eight individuals.

16. A total of three individuals were enrolled at Kaplan University. They were enrolled in similar courses, and show either failing grades or withdrawals from courses. A total of \$47,007 in federal financial aid was awarded to the three individuals.

17. A total of twelve individuals were enrolled at Liberty University. Many of them were enrolled in the same courses, and many of them show either failing grades or withdrawals from courses. A total of \$142,226 in federal financial aid was awarded to the twelve individuals at Liberty.

18. A total of four individuals were enrolled at Argosy University. They shared a few similar classes, and some received either failing grades or withdrew from courses. A total of \$67,750 in federal financial aid was awarded to the four individuals at Argosy University.

19. Further investigation uncovered two statically assigned IP addresses, 74.92.187.193 and 74.94.187.198, both of which were used to access online account information for several victims affected by the scheme. For example, one of those IP addresses belongs to subscriber Inn Keeper West, located at 3020 Riverside Dr. in Danville, VA. This hotel has since been renamed Riverside Inn and Astoria Inn, respectively. Occupancy records show that YOUNG stayed at this location from February 13, 2016 to February 19, 2016. During this time, the location's assigned IP address, IP address 74.94.187.198,

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was used to access student aid online account information for victims M.T. and T.C. These static IP addresses also were used to submit Free Applications for Federal Student Aid (FAFSAs) for victims H.K., N.W., and L.G., Additionally, BankMobile, which is the third party servicer of student financial aid refunds for several schools, reported BankMobile activity associated with these static IP addresses for victims R.K., R.O, K.W., T.C., and M.T.

20. Your affiant learned during the course of the investigation that numerous financial aid and school application documents for several victims were faxed by wire to several schools from fax number 434-836-6220. The fax header lists the name "Tyrone" along with the number. This number is registered to YOUNG's address on Thunderbird Circle in Danville, VA.

21. In addition, your affiant and SA MacDonald interviewed a number of residents of a specific Section 8 housing complex in South Boston. The interviewed victims, including M.T., L.G., E.T., C.E., and D.F. identified YOUNG by description and photograph as an individual who approached them at their apartments with an offer of free government money for education. With minor variations in their stories, each victim described a process by which YOUNG visited their respective apartment unannounced, offering to sign them up for school. As part of the enrollment process, YOUNG indicated that the government was providing "free" money to help them meet their educational goals, and that they would be able to keep some of the money they obtained. After receiving each victim's name, date of birth, social security

number, address, and phone numbers, YOUNG promised that he would keep in contact with and assist them with their educational programs, even to the point of advising certain victims that he was available to help with their coursework.

22. Between 4-6 weeks following these visits, YOUNG contacted each of his victims to let them know that they would be receiving a debit card in the mail. Each victim described receiving the next day a green and white debit card from Post University in the mail, as indicted by YOUNG over the phone.

23. Young instructed each of his victims how to activate the debit card and advised when the funds would be available for their use. Unbeknownst to the victims, YOUNG had withdrawn funds from the student aid debit cards on the date of the financial aid disbursement to the card, and prior to advising each victim that the balance on the card was available for their personal use. Based on his advice, YOUNG's victims then dissipated the funds on the cards by making personal expenditures to support themselves and their families, until the cardss no longer worked.

24. Victims such as L.G. and M.T. stated that they attempted to contact Young on multiple occasions to inquire about accessing their online classes to complete their coursework, but Young dropped out of communication with them after receiving the financial aid card from Post University in the mail.

25. Among the residents at the Westside Apartments, located in South Boston, VA, victim T.T. was interviewed regarding his knowledge of

student loans obtained in his name. T.T. advised that he had temporarily lost his wallet at the apartment of victim M.T., located at the Westside Apartments. Your affiant and Special Agent A. Macdonald were able to determine T.T.'s name, date of birth, and social security number were later used by YOUNG to obtain federal student aid. Student aid records indicate that on or about May 2, 2016, shortly after T.T.'s wallet had gone missing, a FAFSA was submitted electronically in T.T.'s name through an IP address associated with YOUNG. On or about June 17, 2016, a BankMobile student aid account in T.T.'s name was accessed by IP address 107.77.160.39, an IP address associated with two other Westside Apartment victims. On or about June 21, 2016, the Bankmobile student aid account in T.T.'s name again was accessed, through IP address 67.187.23.132, which YOUNG also used on the same date, at approximately the same time, to submit a fraudulent FAFSA in the name of victim A.N.

26. The dates on which T.T.'s student aid accounts were accessed electronically correspond to the dates on which student aid funds were distributed in his name. USDOE records indicate that on or about June 17, 2016, a Pell Grant for \$722.00 was issued in T.T.'s name by the USDOE through Post University. On or about June 17, 2016, an Unsubsidized Stafford loan in the amount of \$1,327 and a Subsidized Stafford loan in the amount of \$1,750 were disbursed in T.T.'s name by DOE through Post University. T.T. stated at the time of interview that he was unaware that federal student aid funds had been disbursed in

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his name, that he did not authorized YOUNG or any other person to transmit his personal information by wire for educational, financial aid, or for any other purpose, and that he had had neither attended courses nor received any federal student aid funds through Post University.

27. According to records obtained by your affiant and SA MacDonald pursuant to a search warrant, a copy of T.T.'s Post University transcript authorization form was found in a saved items folder in the email account Myoung8218@aol.com, an email address registered to a family member of YOUNG's and known to be utilized by YOUNG to save personally identifying information. Screenshots of BankMobile accounts created for T.M., R.W., K.T. were also were found in the myoung8218@aol.com saved folder.

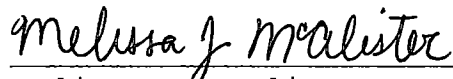
28. Further investigation by your affiant revealed that YOUNG uses and has used Facebook to perpetrate his fraudulent scheme. Cooperating witness number 1 (CW 1) stated that he provided his social security number to YOUNG for college registration purposes via Facebook messaging as instructed by YOUNG, and indicated that he had communicated with YOUNG through Facebook on other occasions. Facebook messages between cooperating CW 1 and YOUNG further indicate that YOUNG was recruiting CW 1 to enroll at universities through the social media platform. Messages show YOUNG instructing CW 1 how to put student loans into deferment. YOUNG also warned CW 1 through Facebook that law enforcement agents were interviewing individuals to obtain information related to his fraudulent scheme. Within these Facebook

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messages, as shown to your affiant by CW 1, YOUNG instructs CW 1 how to respond to law enforcement inquiries and advised CW 1 to delete all Facebook messages containing a record of their communications.

**CONCLUSION**

29. Based on the information contained herein, your affiant maintains there is probable cause to believe that TYRONE YOUNG has violated Title 18, United States Code, Section 1028A(a)(1) (Aggravated Identity Theft) and Title 20, United States Code, Section 1097 (Financial Aid Fraud).



Melissa J. McAlister  
United States Postal Inspector

Sworn to and subscribed before me this 6<sup>th</sup> day of June, 2018.



The Honorable Robert S. Ballou  
United States Magistrate Judge